

May 2, 2003

VIA MESSENGER

Office of the Attorney General
1300 "I" Street
Sacramento, CA 95814

Attention: Tricia Knight

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INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Re: Budget Accountability Act

Dear Ms. Knight:

Pursuant to Elections Code section 9002, we request that the Attorney General prepare a title and summary of our first version of a measure entitled the "Budget Accountability Act." The text of the measure, a check for \$200.00, the address at which we are registered to vote and the signed statement certifying that we will not willfully allow initiative signatures to be used for purposes other than qualification of the measure are enclosed.

Please direct all correspondence and inquiries regarding this measure to:

Robin B. Johansen
James C. Harrison
Remcho, Johansen & Purcell
201 Dolores Avenue
San Leandro, CA 94577
Phone: (510) 346-6200
FAX: (510) 346-6201

Sincerely,

Roberta B. Johansen

James C. Harrison

Enclosures

Signed Statement Required by Elections Code Section 9608

I, Roberta B. Johansen, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

Roberta B. Johansen

Dated this 2nd day of May, 2003

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INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Signed Statement Required by Elections Code Section 9608

I, James C. Harrison, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

James C. Harrison

Dated this 2nd day of May, 2003

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INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Section 1: Title

This measure shall be known and may be cited as the "Budget Accountability Act."

Section 2: Findings and Declaration of Purpose

The People of the State of California find and declare that:

The Budget Accountability Act is designed to end the budget delays that have created a fiscal crisis in our state. The purpose of this measure is to enact a comprehensive reform of the State budget process designed to hold the Governor and Legislature more accountable to the People of California by producing more responsible and timely state budgets.

a) After the Governor introduces the budget, the State Legislature and Governor have almost six months to complete the budget on time. However, the State Legislature has not passed a budget on time since 1986.

b) The State Legislature and the Governor face no consequences when they fail to meet the budget deadline imposed by the State Constitution. They can continue to collect their salary and expense allowances. They are not required to continue to work on the budget. In fact, they can even go on vacation.

c) In order to hold elected officials accountable, voters are entitled to know how their tax dollars are spent each year and how their state representatives vote on the budget and taxes. Currently voters do not have easy access to this information.

d) The two-thirds vote requirement to pass a state budget and related taxes has contributed to persistent late budgets and large deficits. Political party leaders refuse to compromise to solve the state's budget problem and have used the two-thirds vote requirement to hold up the budget.

e) California, Rhode Island, and Arkansas are the only states in the country that require a vote of two-thirds or more of the legislature to pass a budget.

f) After researching California's two-thirds vote requirement, the non-partisan California Citizens Budget Commission concluded that "the current supermajority requirement fails to achieve its oft-stated goal of keeping budgetary spending in check, while at the same time it promotes gridlock, pork barrel legislation and lack of accountability."

g) When the economy weakens, the State budget goes into deficit. These deficits are increased by the gridlock caused by the two-thirds vote requirement. These deficits increase year after year until they equal many billions of dollars. Faced with these huge deficits, the Governor and Legislature make massive cuts to education, health care, and transportation and raise billions of dollars in taxes. These deep cuts and large tax increases would not have been necessary if responsible budget solutions had been possible instead of year after year of gridlock.

h) Party leaders threaten to punish state legislators if they refuse to vote the party line on the budget. Members of the Legislature should be accountable to their constituents, not to party leaders. Our elected representatives must be free to vote their consciences.

i) California has faced large budget deficits and surpluses over the past ten years. Elected officials from both major parties have increased spending and cut taxes in good economic times, leaving the State with inadequate reserves when the economy turns bad. Saving money in a rainy day fund in good times provides a prudent reserve during economic downturns and states of emergency, which is essential for responsible budget management.

Section 3. Purpose and Intent

1. In order to make elected officials more responsible for the consequences of their actions, to keep voters more informed of the budget decisions being made by their legislators, to limit partisan extremism and end gridlock in the budget process, and to require a rainy day reserve fund to balance the budget in hard times and protect California taxpayers, the People of the State of California do hereby enact the Budget Accountability Act. This measure is intended to accomplish its purpose by amending the California Constitution and the statutes of California to:

a) Prohibit the Legislature and Governor from collecting their salary and expenses for every day they miss the budget deadline set by the Constitution and to force the Legislature to stay in session and consider the budget until it is passed.

b) Help voters hold their state representatives more accountable by providing voters with a two-page summary of how the State is spending the funds it receives. The summary will be published in the state ballot pamphlet mailed to voters before every statewide election. The summary will include a website address where voters can find the voting record of their representatives on all budget and related legislation, including tax bills, that are subject to the 55 percent vote requirement.

c) Change the votes necessary to pass the budget and related legislation from two-thirds to 55 percent, and authorize a 55 percent vote to adopt temporary taxes and proposals to place taxes before the voters that are related to the budget, to improve accountability to voters, reduce budget gridlock, and encourage legislators to work together to solve California's budget problems regardless of their party affiliation.

d) Allow legislators to vote their consciences on the budget instead of being pressured into voting the party line. A legislator who is threatened by another legislator because of a vote on the budget will be able to file a complaint with the Ethics Committees of the Senate or Assembly, which will investigate the complaint and make public its report and recommendation for appropriate action to the full Senate or the Assembly.

e) Ensure funds are set aside in a rainy day reserve fund in good economic times when revenues exceed what is needed for existing programs so that when revenues fall short in times of economic downturn the reserve fund can be used to reduce the need for drastic cuts in programs and increases in taxes. The reserve fund could also be used for a state of emergency declared by the